

Canadian Foundation for Spiritual Care

Financial Statements

December 31, 2017

Canadian Foundation for Spiritual Care
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A Member Firm of The AC Group of Independent Accounting Firms Limited

Independent Auditor's Report

To the Members of
Canadian Foundation for Spiritual Care

We have audited the accompanying financial statements of Canadian Foundation for Spiritual Care, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditor's Report, continued

Basis for Qualified Opinion

Canadian Foundation for Spiritual Care derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the foundation as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Bedford, Nova Scotia
June 12, 2018

RGH Inc.
Chartered Professional Accountants, Licensed
Public Accountants

Canadian Foundation for Spiritual Care
Statement of Financial Position
December 31

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 13,027	\$ 5,695
INVESTMENTS (note 3)		
General investments	216,559	203,961
King education fund investments	65,938	58,364
Indigenous bursary fund investments	525	-
	283,022	262,325
OTHER ASSETS		
Property, plant and equipment (note 4)	72	90
	\$ 296,121	\$ 268,110
LIABILITY		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,700	\$ 1,001
UNRESTRICTED NET ASSETS	294,421	267,109
	\$ 296,121	\$ 268,110

On behalf of the Board

SIGN HERE

_____ Member

_____ Member

See accompanying notes to the financial statements

Canadian Foundation for Spiritual Care
Statement of Operations and Changes in Net Assets
Year ended December 31

	2017	2016
REVENUES		
Contribution Revenue	\$ 19,033	\$ 65,220
Dividend income	7,484	7,493
Interest income	572	840
	27,089	73,553
EXPENDITURES		
Bursary	8,500	3,000
Investment fees	2,998	2,336
Professional fees	2,621	2,458
Research Grants	1,500	4,000
Office	298	890
Amortization	18	22
	15,935	12,706
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	11,154	60,847
OTHER INCOME (EXPENSES)		
Gain (loss) on disposal of investments	25,875	(4,754)
(Loss) gain on foreign exchange	(444)	201
Unrealised gain (loss) on write up (write down) to market of investments	(9,273)	31,302
	16,158	26,749
EXCESS OF REVENUES OVER EXPENDITURES	27,312	87,596
BALANCE, BEGINNING OF YEAR	267,109	179,513
BALANCE, END OF YEAR	\$ 294,421	\$ 267,109

See accompanying notes to the financial statements

Canadian Foundation for Spiritual Care
Statement of Cash Flows
Year ended December 31

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 27,312	\$ 87,596
Adjustments for		
Amortization	18	22
(Gain) loss on disposal of investments	(25,875)	4,754
Writedown (writeup) unrealised gain (loss) on write up (write down) to market of investments	<u>9,273</u>	<u>(31,302)</u>
	10,728	61,070
Change in non-cash working capital items		
Accounts receivable	-	375
Accounts payable and accrued liabilities	<u>699</u>	<u>-</u>
	11,427	61,445
INVESTING ACTIVITIES		
Purchase of investments	(72,925)	(94,064)
Proceeds on sale of investments	<u>68,830</u>	<u>29,285</u>
	(4,095)	(64,779)
FINANCING ACTIVITY		
Deferred bursaries	<u>-</u>	<u>(50,000)</u>
NET INCREASE (DECREASE) IN CASH	7,332	(53,334)
CASH, BEGINNING OF YEAR	<u>5,695</u>	<u>59,029</u>
CASH, END OF YEAR	\$ 13,027	\$ 5,695
CASH CONSISTS OF:		
Cash	\$ 10,470	\$ 4,157
Investment cash account	<u>2,557</u>	<u>1,538</u>
	\$ 13,027	\$ 5,695

See accompanying notes to the financial statements

1. Nature of operations

Canadian Foundation for Spiritual Care was created for the purpose of promoting the advancement of pastoral practice and education in Canada by fostering research, and enhancing training and service possibilities. The foundation was incorporated on January 1, 2003 as a charitable foundation and is exempt from tax under the provision of the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized as follows.

(a) Cash and cash equivalents

Cash consists of bank accounts held with financial institutions.

(b) Revenue recognition

The foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Interest and dividend income on investments is recognized as earned. Realized gains or losses on investments are recognized when the individual investments are sold. Any increases or decreases in market value of remaining investments on hand at year-end are recognized as unrealised gains or losses, and included as part of investment income for the year.

2. Significant accounting policies, continued

(c) Equipment

Equipment is recorded at cost and is being amortized over its estimated useful life on a declining balance method. The annual amortization rate is as follows:

Equipment	20%
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(d) Investments

Investments are recorded at fair value. Unrealized gains and losses as a result of fair value adjustments at year end are included in investment income for the year.

(e) Donated material and services

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

Canadian Foundation for Spiritual Care
Notes to the Financial Statements
December 31, 2017

3. Investments

	2017		2016	
	Cost	Market	Cost	Market
Crombie Real Estate Investment Trust (625 units)	\$ 7,421	\$ 8,625	\$ 7,559	\$ 8,488
Power Financial Corp (275 shares)	-	-	7,568	9,229
TransCanada Corporation (225 shares)	7,281	13,766	7,281	13,622
Toronto-Dominion Bank (240 shares)	8,773	17,676	8,773	15,893
Bank of Nova Scotia (235 shares)	12,802	19,063	12,802	17,569
AT&T Inc. (125 shares)	7,087	6,097	7,087	14,276
Berkshire Hathaway	26,674	32,327	-	-
General Electric Co (470 shares)	9,167	4,378	9,167	19,942
General Mills Inc (225 shares)	9,380	11,157	9,380	18,661
JP Morgan Chase & Co (245 shares)	14,388	26,831	14,388	28,386
Newell Rubbermaid Inc (280 shares)	-	-	7,965	16,786
Ishares Canadian Short Term Bond Index ETF (280 shares)	7,890	7,686	7,890	7,855
Algonquin Power & Utilities (725 shares)	9,809	10,194	-	-
BMO Laddered Preferred Share Index ETF Unit (3,100 shares)	31,528	36,487	31,555	33,170
Ishares Canadian Short Term Bond Index ETF (190 shares)	5,411	5,216	5,411	5,330
BMO Laddered Preferred Share Index ETF Unit (545 shares)	5,543	6,415	5,548	5,832
Bank of Nova Scotia (60 shares)	3,707	4,867	3,707	4,486
Cymbria Corporation CL A (425 shares)	19,923	22,313	-	-
Cymbria Corporation (240 shares)	9,082	12,600	4,874	5,903

Canadian Foundation for Spiritual Care
Notes to the Financial Statements
December 31, 2017

3. Investments, continued

Fortis Inc (100 shares)	4,069	4,611	4,069	4,146
Ishares Core S&P 500 Index ETF Cad-Hedged (300 shares)	7,045	9,120	9,870	10,739
Ishares S&P/TSX Capped Energy Index ETF (300 shares)	3,123	3,681	3,123	4,206
Manulife Financial Corp (175 shares)	3,089	4,589	3,089	4,184
National Bank of Canada (100 shares)	4,226	6,272	4,226	5,453
Telus Corporation (90 shares)	3,773	4,286	3,773	3,848
Transcanada Corporation (70 shares)	3,449	4,283	3,449	4,238
Cymbria Corporation CL A (10 shares)	470	525	-	-
	\$ 225,109	\$ 283,022	\$ 182,554	\$ 262,325

4. Property, plant and equipment

	2017		2016	
	Cost	Accumulated amortization	Net	Net
Equipment	\$ 475	\$ 403	\$ 72	\$ 90

5. Related party transactions

The Foundation is related to the Canadian Association for Spiritual Care by way of membership. Any transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. During the year, the foundation did not enter into any transactions with the related party.

6. Financial instruments risks and uncertainties

The foundation's financial instruments consist of cash, equity investments, accounts payable and accrued liabilities. It is management's opinion that the foundation is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.